

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS
CASE NUMBER: 08-35653	
JUDGE: KEVIN R. HUENNEKENS	

EASTERN DISTRICT OF VIRGINIA

RICHMOND DIVISION

QUARTERLY OPERATING REPORT

QUARTER: OCTOBER 1, 2012 TO DECEMBER 31, 2012

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I
DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING
MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND
THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE
DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER
(OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH
PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

/s/ CATHERINE W. BRADSHAW
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

CATHERINE W. BRADSHAW
PRINTED NAME OF RESPONSIBLE PARTY

SENIOR TRUST MANAGER
TITLE

MARCH 15, 2012
DATE

PREPARER:

/s/ ANN P. PIETRANTONI
ORIGINAL SIGNATURE OF PREPARER

ANN P. PIETRANTONI
PRINTED NAME OF PREPARER

REPORTING, HR & LANDLORD CLAIMS MGR
TITLE

MARCH 15, 2012
DATE

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST

ACCRUAL BASIS-1

CASE NUMBER: 08-35653

BALANCE SHEET

UNAUDITED

(amounts in thousands)

	<u>12/31/2012</u>
ASSETS	
ASSETS	
Cash and cash equivalents	388,789
Receivables, net	<u>188,400</u>
TOTAL ASSETS	<u><u>577,189</u></u>
LIABILITIES	
LIABILITIES	
Claims	1,599,864
Accrued trust expenses	<u>1,155</u>
TOTAL LIABILITIES	<u>1,601,019</u>
Liabilities in excess of assets	<u>(1,023,830)</u>
TOTAL LIABILITIES LESS LIABILITIES IN EXCESS OF ASSETS	<u><u>577,189</u></u>

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
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ACCRUAL BASIS-2

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

	10/1/2012 - 12/31/2012
Operating expenses	(5,038)
Interest income	78
Net adjustments from settlements and Court orders	53,521
Income before income taxes	48,561
Income tax expense	-
Net income	48,561

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
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ACCRUAL BASIS-2

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

11/1/2010 - 12/31/2012

Operating expenses	(52,716)
Interest income	700
Net adjustments from settlements and Court orders	418,749
Income before income taxes	366,733
Income tax benefit	212
Net income	366,945

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
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ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	10/1/2012 - 12/31/2012
Cash flows from operations:	
Cash receipts	50,054
Cash payments for professional fees	(7,874)
Cash payments for claims	(1,284)
Other operating cash payments	(1,990)
Net cash provided by operating activities	\$ 38,906
 Increase in cash and cash equivalents	 \$ 38,906
Cash and cash equivalents at beginning of period	349,883
Cash and cash equivalents at end of period	\$ 388,789

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-3
CASE NUMBER: 08-35653	

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	11/1/2010 - 12/31/2012
Cash flows from operations:	
Cash contribution to the Trust	\$ 469,381
Cash receipts	151,739
Cash payments for professional fees	(39,351)
Cash payments for claims	(171,051)
Other operating cash payments	(21,929)
Net cash provided by operating activities	\$ 388,789
Increase in cash and cash equivalents	\$ 388,789
Cash and cash equivalents at beginning of period	0
Cash and cash equivalents at end of period	<u>\$ 388,789</u>

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRAUAL BASIS-4
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ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	QUARTER	QUARTER	QUARTER
		12/31/2012	9/30/2012	6/30/2012
1. 0-30		427,814	1,380,724	1,390,438
2. 31-60		-	-	-
3. 61-90		-	-	-
4. 91+		381,211,418	428,967,393	462,064,762
5. TOTAL ACCOUNTS RECEIVABLE		\$ 381,639,232	\$ 430,348,117	\$ 463,455,200
6. AMOUNT CONSIDERED UNCOLLECTIBLE		193,239,112	220,522,113	236,626,005
7. ACCOUNTS RECEIVABLE (NET)		\$ 188,400,120	\$ 209,826,004	\$ 226,829,195

AGING OF POSTPETITION TAXES AND PAYABLES			QUARTER: 10/1/2012 - 12/31/2012		
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$ 2,434	\$ -	\$ -	\$ -	\$ 2,434
2. STATE	117	-	-	-	117
3. LOCAL	-	-	-	-	-
4. OTHER	-	-	-	-	-
5. TOTAL TAXES PAYABLE	\$ 2,551	\$ -	\$ -	\$ -	\$ 2,551
6. CLAIMS	\$ -	\$ -	\$ -	\$ 1,599,863,888	\$ 1,599,863,888
ACCRUED TRUST EXPENSES	\$ 1,152,356	\$ -	\$ -	\$ -	\$ 1,152,356

STATUS OF POSTPETITION TAXES		QUARTER: 10/1/2012 - 12/31/2012			
FEDERAL	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING**	\$ 3,768	\$ 214,708	\$ (216,042)	\$ 2,434	
2. FICA-EMPLOYEE**	324	22,478	(22,802)	-	
3. FICA-EMPLOYER**	439	26,719	(27,158)	-	
4. UNEMPLOYMENT	-	156	(156)	-	
5. INCOME	-	-	-	-	
6. OTHER (ATTACH LIST)	-	-	-	-	
7. TOTAL FEDERAL TAXES	\$ 4,531	\$ 264,061	\$ (266,158)	\$ 2,434	
STATE AND LOCAL & OTHER					
8. WITHHOLDING	\$ 314	\$ 52,209	\$ (52,406)	\$ 117	
9. SALES	-	-	-	-	
10. EXCISE	-	-	-	-	
11. UNEMPLOYMENT	-	846	(846)	-	
12. REAL PROPERTY	-	-	-	-	
13. PERSONAL PROPERTY	-	-	-	-	
14. OTHER	-	-	-	-	
15. TOTAL STATE & LOCAL & OTHER	\$ 314	\$ 53,055	\$ (53,252)	\$ 117	
16. TOTAL TAXES	\$ 4,845	\$ 317,116	\$ (319,410)	\$ 2,551	

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST

ACCRUAL BASIS-5

CASE NUMBER: 08-35653

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

QUARTER: 10/1/2012 - 12/31/2012

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK:	see APPENDIX B			TOTAL
B. ACCOUNT NUMBER:				
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS				\$ 388,789,379
NUMBER OF LAST CHECK WRITTEN				

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 388,789,379

389,867,352	388,789,379
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CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST
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ACCRUAL BASIS-6

QUARTER: 10/1/2012 - 12/31/2012

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.) ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1			
2			
3			
4			
5			
6 TOTAL PAYMENTS TO INSIDERS (1)			

PROFESSIONALS						
NAME**	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID	
1 Akerman Senterfitt LLP			29,207.00	480,263.00	23,479.00	
2 Alfred H. Siegel, Liquidating Trustee			69,262.00	889,963.00	72,015.00	
3 Arsene Taxand			-	70,841.00	2,389.00	
4 Bates White LLC			59,526.00	1,687,362.00	4,192.00	
5 Crowe Horwath LLP			293,073.00	2,711,939.00	173,296.00	
6 David Grossman			-	636.00	-	
7 Ernst & Young LLP			-	28,095.00	-	
8 First Legal Network LLC			-	507.00	-	
9 FTI Consulting, Inc.			-	188,320.00	-	
10 Gowling Lafleur Henderson LLP			-	296,018.00	-	
11 Jams, Inc.			-	6,059.00	636.00	
12 Jefferies & Co., Inc.			-	1,058,259.00	-	
13 Kelley Drye & Warren LLP			305,624.00	3,141,652.00	42,621.00	
14 KPMG LLP			-	44,070.00	-	
15 Kurtzman Carson Consultants LLC			123,913.00	2,465,197.00	42,696.00	
16 McDermott Will & Emery LLP			-	150,353.00	-	
17 McGladrey LLP			37,512.00	107,322.00	13,644.00	
18 McGuire Woods, LLP			1,530.00	223,516.00	2,841.00	
19 Pachulski, Stang, Ziehl & Jones			754,469.00	14,223,449.00	679,669.00	
20 Pearson, Simon, Warshaw & Penny, LLP			-	9,150.00	-	
21 PricewaterhouseCoopers LLP			-	376,610.00	-	
22 Protiviti			-	145,995.00	-	
23 Ridberg Aronson LLC			-	10,331.00	-	
24 Skadden, Arps, Slate, Meagher & Flom, LLP			54,852.00	1,589,835.00	1,236.00	
25 Sullivan & Worcester LLP			-	31,055.00	-	
26 Susman Godfrey LLP			5,816,249.00	7,462,376.00	4,157.00	
27 Tavenner & Beran, PLC			319,227.00	2,230,872.00	89,487.00	
28 US Bankruptcy Trustee			9,325.00	145,975.00	-	
29 WilmerHale			-	4,581.00	-	
TOTAL PAYMENTS TO PROFESSIONALS			7,873,769.00	39,780,601.00	1,152,358.00	

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

** REVISED TO INCLUDE ADDITIONAL PROFESSIONALS

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED QUARTERLY PAYMENTS DUE	AMOUNTS PAID DURING QUARTER	TOTAL UNPAID POSTPETITION (2)
1 Leases	\$ 24,593	\$ 25,339	
2			
3			
4			
5			
6 TOTAL	\$ 24,593	\$ 25,339	

(1) Other than salary, fees and benefit payments made in the ordinary course of business, reimbursements for business expenses and distributions on valid, allowed claims, no payments have been made to insiders during the reporting period.

(2) The post-petition amounts due under rejected store leases are now included in claims on the balance sheet.

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ACCRUAL BASIS-7

QUARTER: 10/1/2012 - 12/31/2012

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?	X	
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	X	
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?	X	
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?	X	
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

2. As of 11/1/2010, the liquidating plan of the debtors became effective. As such, the bank accounts are no longer DIP accounts.

4. Pursuant to Court orders and settlement agreements, payments have been made on prepetition liabilities during the quarter ended 12/31/2012.

8. Certain real estate taxes were passed through to the debtors from the landlords. A portion of these real estate taxes is past due.

9. Certain business license taxes that covered both prepetition and postpetition periods were due on or before 12/31/2012 but were not paid.

10. The rent for some store leases owed for the period 11/10/2008 through 11/30/2008 is past due; these payments are being held pursuant to a Court order. In addition, due to the liquidation proceedings, the Trust is currently reconciling amounts due to post-petition creditors, which has slowed creditor payments.

11. Certain property taxes that covered both prepetition and postpetition periods were paid during the quarter ended 12/31/2012.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Workers' Compensation & Employer's Liability	ACE American Insurance Company	4/1/12 - 4/1/13	\$5,397 paid at inception
General Liability and Non-owned Auto Liability	First Specialty Insurance Corporation	4/1/12 - 4/1/13	\$25,571 paid at inception
Excess Liability	RSUI Indemnity Company	4/1/12 - 4/1/13	\$31,000 paid at inception
Crime/Fidelity	Starr Indemnity and Liability Company	12/1/12 - 12/1/13	\$35,000 paid at inception
D&O Liability/Errors & Omissions	Westchester Surplus Lines Insurance	11/1/12 - 11/1/13	\$83,672 paid at inception
D&O Liability/Errors & Omissions	Indian Harbor Insurance Company	11/1/12 - 11/1/13	\$73,566 paid at inception
D&O Liability/Errors & Omissions	Chartis Specialty Insurance Company	11/1/12 - 11/1/13	\$53,948 paid at inception
D&O Liability/Errors & Omissions	Carlin Specialty Insurance Company	11/1/12 - 11/1/13	\$33,556 paid at inception
D&O Liability/Errors & Omissions	Lloyd's of London	11/1/12 - 11/1/13	\$25,081 paid at inception
D&O Liability/Errors & Omissions	Hiscox Insurance Company Ltd.	11/1/12 - 11/1/13	\$15,683 paid at inception
D&O Liability/Errors & Omissions	Westchester Fire Insurance Company	11/1/12 - 11/1/13	\$14,532 paid at inception
Runoff D&O - Primary	Chartis	11/1/10 - 11/1/16	\$114,726 paid at inception
Runoff D&O - Layer 1	Starr Indemnity and Liability Company	11/1/10 - 11/1/16	\$63,342 paid at inception
Runoff D&O - Layer 2	CNA	11/1/10 - 11/1/16	\$55,000 paid at inception
Runoff D&O - Layer 3	Valiant Insurance Group	11/1/10 - 11/1/16	\$45,900 paid at inception
Runoff D&O - Layer 4	Starr Indemnity and Liability Company	11/1/10 - 11/1/16	\$22,950 paid at inception
Runoff D&O - Layer 5	Chartis	11/1/10 - 11/1/16	\$22,945 paid at inception
Runoff D&O - Primary	CNA	12/1/08 - 12/1/14	\$1,177,500 paid at inception
Runoff D&O - Layer 1	Chubb Group	12/1/08 - 12/1/14	\$487,500 paid at inception
Runoff D&O - Layer 2 (Year 1)	Great American Insurance Group	12/1/08 - 12/1/14	\$240,000 paid at inception
Runoff D&O - Layer 2 (Years 2 - 6)	Axis Insurance	12/1/08 - 12/1/14	\$240,000 paid at inception
Runoff D&O - Layer 3	Travelers	12/1/08 - 12/1/14	\$822,000 paid at inception
Runoff D&O - Layer 4	Axis Insurance	12/1/08 - 12/1/14	\$698,700 paid at inception
Runoff D&O - Layer 5	RSUI Group, Inc.	12/1/08 - 12/1/14	\$589,050 paid at inception
Runoff D&O - Layer 6	Arch Insurance Group	12/1/08 - 12/1/14	\$540,000 paid at inception
Runoff D&O - Layer 7 (Side A DIC)	XL Insurance	12/1/08 - 12/1/14	\$1,275,000 paid at inception
Runoff D&O - Layer 8	Chubb Group	12/1/08 - 12/1/14	\$375,000 paid at inception
Property - All Risk	Sentinel Insurance Co., Ltd.	8/15/12 - 8/15/13	\$1,185 paid at inception